

## Bureau of the Public Debt

### Program Summary by Budget Activity

(Dollars in thousands)

Appropriation	FY 2007	FY 2008	FY 2009		
	Enacted	Enacted	President's Budget	Increase/Decrease	Percent Change
Administering the Public Debt	\$178,854	\$182,871	\$187,054	\$4,183	2.3%
Wholesale Securities Services	19,996	20,518	21,047	529	2.6%
Government Agency Investment Services	14,594	14,648	14,497	(151)	(1.0%)
Retail Securities Services	137,020	140,573	144,194	3,621	2.6%
Summary Debt Accounting	7,244	7,132	7,316	184	2.6%
Subtotal, Bureau of the Public Debt	\$178,854	\$182,871	\$187,054	\$4,183	2.3%
User Fees	(\$3,000)	(\$10,000)	(\$10,000)	\$0	0.0%
Net Program Operating Level	\$175,854	\$172,871	\$177,054	\$4,183	\$0
Offsetting Collections - Reimbursables	14,058	14,565	15,007	442	3.0%
Total Program Operating Level	\$189,912	\$187,436	\$192,061	\$4,625	2.5%

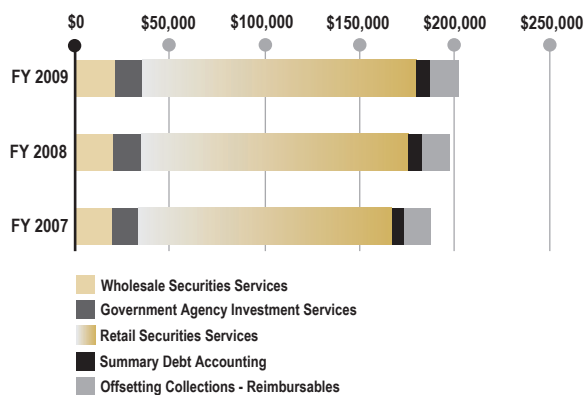
### Explanation of Request

The FY 2009 President's Budget request for the Bureau of the Public Debt includes funding to support the Department of the Treasury's strategic outcome of financing the government at the lowest possible cost over time. Public Debt's top priority is to ensure that the most efficient systems are in place to conduct borrowing operations and deliver securities services to investors.

Total resources to support Public Debt activities in FY 2009 are \$202,061,000, including \$187,054,000 from direct appropriations, of which \$10,000,000 are user fees, and \$15,007,000 from offsetting collections and reimbursable programs.

### BPD Funding History

(Dollars in Thousands)



### Purpose of Program

Public Debt's mission is to borrow the money needed to operate the federal government, account for the resulting debt and provide reimbursable support services to federal agencies. In carrying out its mission, Public Debt annually auctions and issues more than \$4 trillion in Treasury bills, notes, bonds and Treasury Inflation-Protected Securities (TIPS); effectively administers the regulation of the primary and secondary Treasury securities markets; ensures that reliable systems and processes are in place for issuing, transferring, paying interest on, and redeeming Treasury securities; issues and redeems more than 78 million paper savings bonds each year; administers in excess of \$4 trillion in investments for over 230 federal trust funds; and provides timely and accurate information on the public debt.

In support of Treasury's strategic outcome of financing the government at the lowest possible cost over time, Public Debt's top priority is to ensure that the most efficient systems are in place to conduct borrowing operations and deliver securities services to investors. To that end, Public Debt continues to enhance its TreasuryDirect system where retail customers can purchase and manage their holdings of Treasury securities over the internet and will, in the first quarter of calendar year 2008, replace its aging auction system. As it increasingly relies on conducting business electronically, Public Debt also places a high priority on adopting technological advances to ensure that its systems remain secure.

## BPD FY 2009 Budget Highlights

(Dollars in thousands)

Appropriation	Amount
FY 2008 Enacted	\$182,871
Changes to base:	
Maintaining Current Levels (MCLs):	\$4,711
Non-Pay Inflation Adjustment	1,497
Pay Annualization	769
Pay Inflation Adjustment	2,445
Subtotal FY 2009 Changes to Base	\$4,711
Total FY 2009 Base	\$187,582
Program Changes:	
Program Decreases:	(\$528)
Government Agency Investment Services System (GAISS) Savings	(528)
Subtotal FY 2009 Program Changes	(\$528)
<b>Total FY 2009 President's Budget Request</b>	<b>\$187,054</b>
User Fees	(10,000)
<b>Total FY 2009 President's Budget Request (Net)</b>	<b>\$177,054</b>

## FY 2009 Budget Adjustments

### FY 2008 Enacted

The FY 2008 enacted direct appropriation for BPD is \$182,871,000.

### Maintaining Current Levels (MCLs)

**Adjustments Necessary to Maintain Current Levels +\$4,711,000 / +0 FTE** Funds are requested for: FY 2009 cost of the January 2008 pay increase of \$769,000; proposed January 2009 pay raise of \$2,445,000; and non-labor related items such as contracts, travel, supplies, equipment and GSA rent adjustments of \$1,497,000.

### Program Decreases

**Government Agency Investment Services System (GAISS) Savings -\$528,000 / +0 FTE** Savings due to systems consolidation for the Government Agency Investment Services System.

### Adjustments to Request User Fee

**User Fees -\$10,000,000 / +0 FTE** For \$100 account maintenance fees that Public Debt charges to account holders in the Legacy Treasury Direct system with an account balance of more than \$100,000 in par value.

## Explanation of Budget Activities

### Administering the Public Debt

**Wholesale Securities Services (\$21,047,000 from direct appropriations and \$1,343,000 from reimbursable programs)** Public Debt announces, auctions and issues marketable Treasury bills, notes,

bonds and Treasury Inflation-Protected Securities (TIPS). This program ensures that the government's critical financing needs are met and that an infrastructure is in place for the custody, transfer and redemption of Treasury securities in the wholesale market. Public Debt also administers regulations that provide investor protection and maintain the integrity, liquidity and efficiency in the government securities market.

**Government Agency Investment Services (\$14,497,000 from direct appropriations and \$3,827,000 from reimbursable programs)** Public Debt supports federal, state, and local government agency investments in non-marketable Treasury securities as well as federal agency borrowing from the Department of the Treasury. There are more than 230 trust and investment funds held by federal agencies. For 18 of the funds, Public Debt also maintains the investment accounts and performs additional administrative functions on behalf of the Secretary of the Treasury.

**Retail Securities Services (\$144,194,000 from direct appropriations, including \$10,000,000 from user fee collections, and \$9,370,000 from offsetting collections and reimbursable programs)** Public Debt serves more than 50 million retail customers who have invested in marketable and savings securities directly with Treasury. Investors may hold these securities in book-entry or paper form. The goal of the retail program is to migrate products and services to the internet-accessed TreasuryDirect system so that eventually all retail securities are issued and maintained in book-entry form.

**Summary Debt Accounting (\$7,316,000 from direct appropriations and \$467,000 from reimbursable programs)** Public Debt accurately accounts for and reports timely on the outstanding public debt and related interest expenses. The program provides daily information on the balance and composition of the public debt, and summary level accounts represent the control totals for dozens of subordinate investment systems.

## Legislative Proposals

BPD has no legislative proposals for FY 2009.

**BPD Performance by Budget Activity**

Budget Activity	Performance Measure	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
		Actual	Actual	Actual	Target Met?	Target	Target
Wholesale Securities Services	Percent of auction results released in 2 minutes +/- 30 seconds (%) (Oe)	95	100	99.1	✓	95	95
Government Agency Investment Services	Cost per federal funds investment transaction (\$) (E)	88.74	62.64	68.53	✓	77.1	77.7
Government Agency Investment Services	Percentage of Government Agency customer initiated transactions conducted online (%) (Oe)	72.7	97.03	97.31	✓	Discontinued	Discontinued
Retail Securities Services	Percentage of retail customer service transactions completed within 12 business days (%) (Oe)	88.7	98	99.43	✓	90	90
Summary Debt Accounting	Cost per summary debt accounting transaction (\$) (E)	12.62	10.96	9.29	✓	9.74	9.97

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

**Description of Performance**

The Bureau of the Public Debt has continued to set challenging performance goals with positive results. To improve performance, Public Debt places a high priority on adopting new technology to increase the security, flexibility, and efficiency of financing the needs of the federal government.

In FY 2007, 99 percent of the time, Public Debt released auction results within two minutes, plus or minus 30 seconds, surpassing its performance target of 95 percent. In addition, Public Debt processed over 99 percent of retail customer service transactions within 12 business days and met its targeted costs for summary debt accounting and federal funds investment transactions.